

AR49

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SCOTTISH
&
YORK

INTERIM
REPORT

JUNE 30, 1970

SCOTTISH & YORK HOLDINGS LIMITED
and its Subsidiary Companies

CONSOLIDATED STATEMENT OF INCOME

	<u>Six months ended</u>	
	<u>June 30, 1970</u>	<u>June 30, 1969</u>
Gross premiums written and other revenue	\$7,620,550	\$5,683,942
Net income before taxes	1,301,524	1,310,857
Provision for taxes	431,053	485,807
Net income after taxes	870,471	825,050
Profit per share	.58¢	.55¢

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	<u>Six months ended</u>	
	<u>June 30, 1970</u>	<u>June 30, 1969</u>
Source of Funds		
Operations		
Net income for the six months	\$ 870,471	\$ 825,050
Add items not involving a current outlay of funds		
Depreciation	4,809	4,168
Interest of minority common shareholders of subsidiary companies	3,551	4,738
	<u>878,831</u>	<u>833,956</u>
Increase in provision for outstanding claims	232,131	259,758
Increase in deferred revenue	531,018	160,900
Net change in other assets and liabilities	352,900	10,514
	<u><u>\$1,994,880</u></u>	<u><u>\$1,265,128</u></u>
Application of Funds		
Purchase of marketable securities, net	567,184	572,586
Increase in accounts receivable	1,187,696	482,542
Dividends on common shares	240,000	210,000
	<u><u>\$1,994,880</u></u>	<u><u>\$1,265,128</u></u>

August 21st, 1970.

K. H. Doyle,
President.

Subject to audit and year-end adjustments.

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INTERIM
REPORT

JUNE 30, 1972

SCOTTISH & YORK HOLDINGS LIMITED

and its Subsidiary Companies

CONSOLIDATED STATEMENT OF INCOME

	<u>Six months ended</u>	
	<u>June 30, 1972</u>	<u>June 30, 1971</u>
Gross premiums written and other revenue	\$12,577,491	\$10,251,577
Net income before taxes	1,732,406	1,520,395
Provision for taxes	456,737	423,851
Net income after taxes	1,275,669	1,096,544
Profit per share	42.5¢	36.5¢

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	<u>Six months ended</u>	
	<u>June 30, 1972</u>	<u>June 30, 1971</u>
Source of Funds		
Operations		
Net income for the six months	\$ 1,275,669	\$ 1,096,544
Add items not involving a current outlay of funds		
Depreciation	3,575	4,626
Interest of minority common shareholders of subsidiary companies	6,406	5,680
	<u>\$ 1,285,650</u>	<u>\$ 1,106,850</u>
Increase in accounts payable	523,475	151,933
Increase in provision for outstanding claims	349,983	562,767
Increase in deferred revenue	444,409	765,994
Net change in other assets and liabilities	80,155	—
	<u><u>\$ 2,683,672</u></u>	<u><u>\$ 2,587,544</u></u>
Application of Funds		
Purchase of marketable securities, net	\$ 1,172,823	2,026,752
Increase in accounts receivable	1,090,849	—
Dividends on common shares	420,000	360,000
Net change in other assets and liabilities	—	\$ 200,792
	<u><u>\$ 2,683,672</u></u>	<u><u>\$ 2,587,544</u></u>

August 24th, 1972

K. H. DOYLE,
President

SCOTTISH & YORK HOLDINGS LIMITED

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation by the management of Scottish & York Holdings Limited (hereinafter called the "Company") of proxies to be used at the annual and general meeting of shareholders of the Company to be held at the time and place and for the purposes set forth in the notice of meeting. It is expected that the solicitation will be made primarily by mail but proxies may also be solicited personally or by telephone by regular employees of the Company. The cost of the solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy are directors of the Company. **A shareholder has the right to appoint a person to represent him at the meeting other than the persons designated in the accompanying form of proxy.** Such right may be exercised by inserting in the space provided the name of the other person the shareholder wishes to appoint. Such other person need not be a shareholder.

The shareholder executing the accompanying form of proxy has the power to revoke it at any time insofar as it has not been exercised.

VOTING OF PROXIES

The shares represented by the accompanying form of proxy will be voted and where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the shares will be voted in accordance with the specification so made. **Such shares will be voted for the approval of any matter for which no specification has been made.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting and other matters which may properly come before the meeting. At the date of this information circular, the management of the Company knows of no such amendments, variations or other matters. If matters which are not known at the date hereof should properly come before the meeting the form of proxy will be voted on such matters in accordance with the best judgement of the person voting it.

VOTING SHARES AND PRINCIPAL HOLDER THEREOF

As of the date hereof the Company has outstanding 1,500,000 common shares without par value. Each common share entitles the holder of record, as of the date of the meeting, to one vote on all matters to come before the meeting. As of the date hereof, The Standard St. Lawrence Company Limited is the beneficial owner of 749,400 common shares of the Company representing 49.96% of the outstanding common shares of the Company. To the knowledge of the directors or senior officers of the Company, no other person or company beneficially owns, directly or indirectly, more than ten per cent (10%) of the outstanding common shares of the Company.

ELECTION OF DIRECTORS

The Board presently consists of six directors to be elected annually. The number of directors will be increased to seven upon confirmation by the shareholders of the resolution passed by the Board and referred to below increasing the number of directors from six to seven. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, all of whom, with the exception of Mr. R. W. Broughton, are now members of the Board of Directors and have been since the dates indicated. The management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion. Each director elected will hold office until the next annual meeting or until his successor is elected, unless his office is earlier vacated in accordance with the by-laws.

The following summary sets forth the names of all the persons proposed to be nominated for election as directors, all other positions and offices with the Company now held by them, their principal occupations or employments, their periods of service as directors of the Company, and the approximate number of common shares of the Company beneficially owned, directly or indirectly, by each of them as of April 14, 1970.

	<u>Period of Service as Director</u>	<u>Common Shares Owned</u>
RICHARD W. BROUGHTON, Executive Vice-President of the Company since 1969, formerly a Vice-President of the Company	—	1,835
SIDNEY F. CHAPMAN, C.A. Vice President - Finance, of the Company and Senior Vice President - Finance Thomson Newspapers Limited (Newspaper Publishers)	1961 to date	1,300
KENNETH H. DOYLE, President of the Company	1961 to date	34,500
ST. CLAIR L. McCABE, Vice President of the Company and Executive Vice-President and Managing Director, Thomson Newspapers Limited	1961 to date	17,000
A. D. McEWEN, President McEwen Securities Limited (Stockbrokers)	1965 to date	—
K. R. THOMSON, Chairman of the Board of the Company, Chairman of the Board and President, Thomson Newspapers Limited and, Chairman, Times Newspapers Limited, London, England (Newspaper Publishers)	1961 to date	—
JOHN A. TORY, Q.C. Partner, Tory, Tory, DesLauriers & Binnington (Solicitors)	1961 to date	950

REMUNERATION OF MANAGEMENT

The aggregate direct remuneration paid by the Company and its subsidiaries to the directors and senior officers of the Company during the fiscal year ended December 31, 1969 was \$97,285.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the reappointment of Messrs. Thorne, Gunn, Helliwell & Christenson, Chartered Accountants, Toronto, Ontario as auditors of the Company to hold office until the next annual meeting of shareholders. Thorne, Gunn, Helliwell & Christenson or their predecessors, Thorne, Mulholland, Howson & McPherson, have been the auditors of the Company for more than five years.

INCREASE IN NUMBER OF DIRECTORS

The annual meeting is also being held as a general meeting for the purpose of submitting for confirmation by the shareholders of the Company a resolution passed by the Board of Directors increasing the number of directors from six to seven.

GENERAL

Information contained herein is given as of April 14, 1970. The management of the Company knows of no matter to come before the annual meeting of shareholders other than the matters referred to in the notice of meeting.

By Order of the Board

R. D. ABBOT, C.A.
Secretary-Treasurer

Dated April 24, 1970.

